

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

HARVEY A. LAPIN, Individually, and On
Behalf of All Others Similarly Situated,

Plaintiff,

-against-

GOLDMAN, SACHS & CO., and
GOLDMAN SACHS GROUP, INC.,

Defendants.

04 Civ. 02236 (RJS)

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release dated as of July 12, 2010 (the “Settlement” or “Settlement Agreement”), is made and entered into by and among the following Parties (as defined herein) to the above-entitled action (the “Action”): (i) the Lead Plaintiff (on behalf of himself and each of the Class Members), by and through his counsel of record in the Action; and (ii) the Defendants. The Settlement Agreement is intended by the Parties to fully, finally, and forever resolve, discharge, and settle the Released Claims, upon and subject to the terms and conditions hereof and subject to the approval of the Court.

I. THE ACTION

This Action alleges violations of the Federal Securities Laws (specifically, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder) against Goldman, Sachs & Co. (“Goldman Sachs”) and The Goldman Sachs Group, Inc. (“GS Group”).

GS Group is a publicly-traded bank and financial holding company based in New York, NY. Goldman Sachs is the firm’s principal U.S. broker-dealer and investment bank. During the class period, GS Group common stock traded on the New York Stock Exchange (NYSE) under the ticker symbol “GS.”

The Plaintiff alleges that, during the class period, GS Group’s stock price was artificially inflated as a result of untrue or materially misleading statements concerning Goldman Sachs’ research activities, including statements about the objectivity and independence of the firm’s investment research. Plaintiff further contends that Defendants made these statements knowing them to be false or misleading, or recklessly disregarding their false or misleading nature, and that investors suffered injury as a result of the alleged inflation.

The Defendants have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct,

statements, acts, or omissions alleged, or that could have been alleged, in the Action; continue to believe the claims asserted against them in the Action are without merit; and have agreed to enter into the Settlement solely to avoid the expense, distraction, time, and uncertainty associated with continuing the Action.

This Action was filed on July 18, 2003, in the United States District Court for the District of Nevada. By Order dated February 23, 2004, the court appointed Harvey Lapin as Lead Plaintiff pursuant to § 21D(a)(3)(B) of the Securities Exchange Act of 1934 (the “Exchange Act”) as amended by the Private Securities Litigation Reform Act of 1995 (“PSLRA”). The Court also approved Lead Plaintiff’s selection of Glancy & Binkow LLP (later Glancy Binkow & Goldberg LLP) and Kirby McInerney & Squire LLP (later Kirby McInerney LLP) as co-Lead Counsel.

On March 19, 2004, the Action was transferred to the United States District Court for the Southern District of New York (the “Court”) and assigned to The Honorable Victor Marrero. On April 27, 2004, this Action was reassigned to the Honorable Naomi Reice Buchwald.

On June 30, 2004, Lead Plaintiff filed his First Amended Class Action Complaint (“FAC”). On August 30, 2004, Defendants filed their Motion to Dismiss the FAC. On September 20, 2004, the case was reassigned to the

Honorable Kenneth M. Karas. Following full briefing and oral argument on Defendants' Motion to Dismiss the FAC, by Order dated February 23, 2005, the Court granted Defendants' Motion to Dismiss the FAC and gave Lead Plaintiff leave to amend.

The operative complaint in the Action is the Second Amended Class Action Complaint (the "Complaint"), filed on February 25, 2005, against GS Group, Goldman Sachs and Henry M. Paulson. The Complaint alleges violations of §§ 10(b) and 20(a) of the Exchange Act, on behalf of a class of purchasers of GS Group common stock from July 1, 1999 through May 7, 2002.

On March 24, 2005, the Defendants moved to dismiss the Complaint. After full briefing and oral argument, by Order dated September 29, 2006, Judge Karas denied the motion to dismiss as to GS Group and Goldman Sachs, granted the motion to dismiss as to Henry M. Paulson, and permitted Lead Plaintiff thirty (30) days to seek leave to amend the complaint against Mr. Paulson. Lead Plaintiff did not amend the claims against Mr. Paulson. On November 14, 2006, Defendants answered the Complaint.

On February 21, 2007, Lead Plaintiff moved for certification of a class. On September 4, 2007, this Action was reassigned to the Honorable Richard J. Sullivan. Following full briefing, discovery and oral argument,

the Court granted Lead Plaintiff's motion for class certification by order dated September 15, 2008.

By letters dated October 7 and 15, 2008 and February 2, 2009, Defendants requested pre-motion conferences with the Court to address the implications of recent caselaw on the Court's Order certifying the Class. The Court denied Defendants' requests by Orders dated, October 15 and 16, 2008 and February 4, 2009, respectively.

On September 26, 2008, Defendants filed a petition with the United States Court of Appeals for the Second Circuit, pursuant to Federal Rules of Civil Procedure 23(f), for leave to appeal the Court's order granting Plaintiff's motion for class certification. The Second Circuit denied Defendants' petition by Order dated March 19, 2009.

After completing extensive fact and expert discovery, on June 14, 2010, one day prior to the date the Parties were to file their respective motions for summary judgment and/or for preclusion of expert testimony, the Parties reached an agreement in principle to resolve this Action.

While the Parties each continue to believe that their respective positions are correct, and further believe that they would prevail at any trial on the merits, the Parties, in order to avoid the continuing risk of litigation

and the risks presented by trial and appeal, have agreed to settle the Action on the terms set forth below.

II. TERMS OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Lead Plaintiff (for himself and all Class Members) and the Defendants, that, subject to the approval of the Court, the Action and the Released Claims shall be finally and fully compromised, settled, and released, and the Action shall be dismissed with prejudice, as to all Parties, upon and subject to the terms and conditions of the Settlement, as follows.

1. Definitions

As used in the Settlement Agreement, the following terms have the meanings specified below:

1.1 “Action” means *Harvey A. Lapin, Individually and on Behalf of All Other Similarly Situated v. Goldman Sachs Group, Inc., Goldman, Sachs & Co., and Henry M. Paulson*, No. 04-CV-2236 (RJS) (S.D.N.Y.).

1.2 “Claimant” means any Class Member who files a Proof of Claim in such form and manner, and within such time, as the Court shall prescribe.

1.3 “Claims Administrator” means The Garden City Group, Inc.

1.4 “Class” means all persons or entities that purchased GS Group common stock on the open market between July 1, 1999 and May 7, 2002 and were purportedly damaged thereby. Excluded from the Class are Defendants herein, the officers and directors of Defendants, members of their immediate families, and the heirs, successors or assigns of any of the foregoing.

1.5 “Class Member” or “Member of the Class” means a Person who falls within the definition of the Class as set forth in ¶ 1.4 above.

1.6 “Class Period” means the period between and including July 1, 1999 and May 7, 2002.

1.7 “Complaint” means the Second Amended Class Action Complaint, filed on February 25, 2005 in the United States District Court for the Southern District of New York.

1.8 “Court” means the United States District Court for the Southern District of New York.

1.9 “Defendants” means The Goldman Sachs Group, Inc. and Goldman, Sachs & Co.

1.10 “Effective Date” means the first date by which all of the events and conditions specified in ¶ 7.1 of the Settlement Agreement have been met and have occurred.

1.11 “Escrow Agent” means the law firms of Glancy Binkow & Goldberg LLP and Kirby McInerney LLP or their successors.

1.12 “Fee and Expense Application” means the application that Lead Counsel may submit for distribution from the Settlement Fund of an award of attorneys’ fees and expenses incurred in connection with prosecuting the Action, plus any interest thereon at the same rate and for the same period as earned by the Settlement Fund (until paid), and reimbursement of Lead Plaintiff’s reasonable costs and expenses (including lost wages) directly related to his representation of the Class.

1.13 “Fee and Expense Award” means the award that the Court may grant in connection with the Fee and Expense Application, with interest thereon.

1.14 “Final” means when the last of the following with respect to the Judgment, substantially in the form of Exhibit B hereto, shall occur: (i) the expiration of the time to file a motion to alter or amend the Judgment under Federal Rule of Civil Procedure 59(e) without any such motion having been filed; (ii) the expiration of the time in which to appeal the Judgment without any appeal having been taken, which time shall be deemed to be within thirty (30) days following the entry of the Judgment, unless the date to take such an appeal shall have been extended by Court order or otherwise, or

unless the 30th day falls on a weekend or a Court holiday, in which case the date for purposes of this Settlement Agreement shall be deemed to be the next business day after such 30th day; or (iii) if a motion to alter or amend the Judgment is filed under Federal Rule of Civil Procedure 59(e) or if an appeal of the Judgment is taken, immediately after the determination of that motion or appeal so that it is no longer subject to any further judicial review or appeal whatsoever, whether by reason of affirmance by a court of last resort, lapse of time, voluntary dismissal of the appeal or otherwise, and in such a manner as to permit the consummation of the Settlement substantially in accordance with the terms and conditions of this Settlement Agreement. Any proceeding or order, or any appeal or petition for a writ of certiorari pertaining solely to the issue of attorneys' fees and reimbursement of costs or the Plan of Allocation of the Settlement Fund shall not in any way delay or preclude the Judgment from becoming final and shall not be considered an appeal within the meaning of this paragraph.

1.15 "Goldman Sachs" means Goldman, Sachs & Co.

1.16 "GS Group" means The Goldman Sachs Group, Inc.

1.17 "Judgment" means the Judgment and Order of Dismissal with Prejudice to be rendered by the Court, substantially in the form attached hereto as Exhibit B.

1.18 “Lead Counsel” means Glancy Binkow & Goldberg LLP and Kirby McInerney LLP.

1.19 “Lead Plaintiff” means Harvey A. Lapin.

1.20 “Net Settlement Fund” means the amount of the Settlement Fund after payments of: the Fee and Expense Award; costs and expenses reasonably and actually incurred in connection with providing notice, locating Class Members, soliciting Class Members’ Proofs of Claims, assisting with the filing of Proofs of Claims, administering and distributing the Net Settlement Fund to Authorized Claimants, processing Proofs of Claims, and bank escrow services; and Taxes and Tax Expenses.

1.21 “Notice” means the Notice of Proposed Settlement of Class Action, Motion for Attorneys’ Fees and Settlement Fairness Hearing to be approved by the Court and sent to Class Members, containing the general terms of the Settlement, the general terms of the Fee and Expense Application and the date of the Settlement Hearing, substantially in the form attached hereto as Exhibit A-1.

1.22 “Notice of Pendency of Class Action” means the notice given to potential Class members as shall be provided in the Court’s Preliminary Approval Order.

1.23 “Parties” means, collectively, each of the Defendants, and the Lead Plaintiff on behalf of himself and the Class Members.

1.24 “Person” means an individual, corporation, partnership, limited partnership, limited liability partnership, professional corporation, limited liability corporation, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

1.25 “Plan of Allocation” means a plan or formula of allocation of the Settlement Fund whereby the Net Settlement Fund shall be distributed to Authorized Claimants after payment of expenses of notice and administration of the Settlement, Taxes and Tax Expenses, such attorneys’ fees, costs, expenses and interest as may be awarded by the Court. Any Plan of Allocation is not part of the Settlement, and the Defendants and their Related Parties shall have no responsibility therefore or liability with respect thereto.

1.26 “Preliminary Approval Order” means the order for which Lead Plaintiff shall apply to the Court, requesting preliminary approval of the Settlement and such other matters as set forth in ¶ 3.1 hereto and substantially in the form attached hereto as Exhibit A.

1.27 “Proof of Claim” means the Proof of Claim and Release substantially in the form attached hereto as Exhibit A-2.

1.28 “Related Parties” means parents, subsidiaries and affiliates, and all their past, present and future respective directors, officers, employees, partners, insurers, co-insurers, reinsurers, agents, controlling shareholders, attorneys, accountants, auditors, advisors, investment advisors, personal or legal representatives, predecessors, successors, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, and any entity in which GS Group, Goldman Sachs or Henry M. Paulson has a controlling interest.

1.29 “Release” means the release contained in ¶¶ 4.1 – 4.3 of this Settlement Agreement and in the Judgment.

1.30 “Released Claims” shall collectively mean all claims (including “Unknown Claims” as defined in ¶ 1.36 hereof), demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, contingent or non-contingent, matured or unmatured, whether or not concealed or hidden, which now exist, or heretofore have existed, asserted or that might have been asserted by the Class or any Member of the Class, including, without limitation, class, derivative, direct actions, claims for negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty,

or violations of any state or federal statutes, rules or regulations including, without limitation, the federal securities laws and the regulations promulgated pursuant to the federal securities laws, or common law principles against the Released Persons or any of them, arising out, based upon or in any way related to the purchase, acquisition or holding of the common stock of GS Group during the Class Period and the acts, failures to act, facts, transactions, events, disclosures, statements or omissions that were or could have been alleged by the Class or any Member of the Class in the Action.

1.31 “Released Persons” means Goldman, Sachs & Co., The Goldman Sachs Group, Inc., and Henry M. Paulson and each and all of their Related Parties.

1.32 “Settlement” means all of the terms and conditions agreed to in this Settlement Agreement and Release.

1.33 “Settlement Fund” means the principal amount of Twenty-Nine Million Dollars (\$29,000,000) in cash paid to the Escrow Agent pursuant to ¶¶ 2.1 and 2.2 of this Settlement Agreement, plus all interest earned thereon pursuant to ¶ 2.3.

1.34 “Settlement Hearing” means the hearing that Lead Plaintiff will request the Court hold in order to finally approve the Settlement as set forth

herein, the Fee and Expense Application, and Plan of Allocation.

1.35 “Summary Notice” means the published notice, substantially in the form attached hereto as Exhibit A-3.

1.36 “Unknown Claims” shall collectively mean all claims, demands, rights, liabilities, and causes of action of every nature and description which the Lead Plaintiff or any Class Member does not know or suspect to exist in his, her, or its favor at the time of the Release of the Released Persons which, if known by him, her, or it, might have affected his, her or its Settlement with and Release of the Released Persons, or might have affected his, her or its decision not to object to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date, the Lead Plaintiff shall expressly waive, and each of the Class Members shall be deemed to have waived, and by operation of the Judgment shall have waived, the provisions, rights, and benefits of California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Lead Plaintiff shall expressly and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by

any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542. The Lead Plaintiff and Class Members may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but the Lead Plaintiff shall expressly fully, finally, and forever settle and release, and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Lead Plaintiff acknowledges, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this Release is a part.

2. The Settlement

a. The Settlement Fund Account

2.1 Within ten (10) days after entry of the Preliminary Approval Order, Lead Counsel shall establish at a federally-insured financial institution identified to and agreed on by counsel for Defendants, a Settlement Fund Account.

b. The Class Settlement Amount

2.2 In consideration of the terms of this Settlement Agreement, Defendants and/or their insurers will cause to be deposited into the Settlement Fund Account the aggregate sum of Twenty-Nine Million Dollars (\$29,000,000) within twenty (20) days following the entry of the Preliminary Approval Order.

c. The Escrow Agent

2.3 The Escrow Agent may invest the Settlement Fund deposited pursuant to ¶¶ 2.1 and 2.2 hereof in instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. The Defendants shall not bear any risk or liability related to investment of the Settlement Fund.

2.4 The Escrow Agent shall not disburse the Settlement Fund except as provided in the Settlement Agreement, by an order of the Court, or with the written agreement of counsel for the Defendants.

2.5 Subject to further order and/or direction as may be made by the Court, the Escrow Agent is authorized to execute such transactions on behalf of the Class Members as are consistent with the terms of the Settlement Agreement.

2.6 All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to this Settlement Agreement and/or further order(s) of the Court.

2.7 Prior to the Effective Date, Lead Counsel may authorize payment of the actual costs and expenses reasonably and actually incurred in connection with providing notice of the settlement to the Class and administering the Settlement without further order or authorization by the Court.

d. Taxes

2.8 (a) The Parties and the Claims Administrator agree to treat the Settlement Fund as being at all times a “qualified settlement fund” within

the meaning of Treas. Reg. §1.468B-1. In addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry out this Settlement Agreement including the “relation-back election” (as defined in Treas. Reg. §1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary Parties, and thereafter to cause the appropriate filing to occur.

(b) All (i) Taxes (including any estimated Taxes, interest or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon the Defendants or their Related Parties with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes (“Taxes”), and (ii) expenses and costs incurred in connection with the operation and implementation of this paragraph (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this paragraph) (“Tax Expenses”), shall be paid out of

the Settlement Fund; in no event shall the Defendants or their Related Parties have any responsibility for or liability with respect to the Taxes or the Tax Expenses. The Escrow Agent shall indemnify and hold each of the Defendants and their Related Parties harmless for Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. §1.468B-2(1)(2)); neither the Defendants nor their Related Parties are responsible therefore nor shall they have any liability with respect thereto. The Parties hereto agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out these provisions.

e. Termination of Settlement

2.9 The Settlement shall be canceled and terminated subject to ¶ 7.4 hereof in the event the Court does not approve, in substance, the terms set forth in the Preliminary Approval Order.

2.10 Defendants shall have the option to terminate the Settlement in the event that Class Members who purchased more than a certain number of shares of GS Group common stock during the Class Period choose to exclude themselves from the Class, as set forth in a separate agreement (the “Supplemental Agreement”) executed between Lead Counsel and Defendants’ counsel.

2.11 In the event that the Settlement is not approved, or is terminated, canceled, or fails to become effective for any reason, the Settlement Fund, including accrued interest, less reasonable costs and expenses actually incurred and properly due and owing in connection with the Settlement provided for herein, including, without limitation, for the class notice, administration and Taxes, shall be refunded to the Defendants who created the Settlement Fund, as provided in ¶ 7.3 below.

3. Preliminary Approval Order and Settlement Hearing

3.1 Promptly after execution of the Settlement Agreement, the Parties shall submit the Settlement Agreement together with its Exhibits to

the Court and shall apply for entry of the Preliminary Approval Order, substantially in the form of Exhibit A hereto, requesting, inter alia, (1) preliminary approval of the Settlement, (2) approval of the Notice for mailing, substantially in the form of Exhibit A-1 hereto, (3) approval of the Proof of Claim form to be executed by Class Members in making a claim under the Settlement, substantially in the form of Exhibit A-2 hereto; (4) approval of a form of Summary Notice for publication, substantially in the form of Exhibit A-3 hereto, and (5) that a Settlement Hearing be set for the Court's final consideration of approval of the Settlement, the Plan of Allocation, and the Fee and Expense Application. The Notice shall include the general terms of the Settlement as set forth in this Settlement Agreement, the proposed Plan of Allocation, the general terms of the Fee and Expense Application and the date of the Settlement Hearing.

3.2 Lead Counsel shall request that after notice is given, the Court hold the Settlement Hearing and approve the Settlement as set forth herein. At or after the Settlement Hearing, Lead Counsel also will request that the Court approve the proposed Plan of Allocation and the Fee and Expense Application.

3.3 The Parties will request that the Court schedule the Settlement Hearing on a date: (a) after Class Members have received notice; and (b) after the time to object to the Settlement has expired.

3.4 At the Settlement Hearing, the Parties shall jointly request entry of the Judgment:

(a) finally approving the Settlement as fair, reasonable and adequate, within the meaning of Federal Rule of Civil Procedure 23, and directing its consummation pursuant to its terms;

(b) directing that the Action be dismissed without cost, except as otherwise provided therein, and with prejudice, and releasing, as against the Released Persons, the Released Claims by the Class and all Class Members;

(c) permanently barring and enjoining the institution and prosecution by any and all Class Members and the Class of any action against any Released Person asserting Released Claims; and

(d) reserving jurisdiction over the Action, including all future proceedings concerning the administration, consummation and enforcement of this Settlement Agreement.

4. Releases

4.1 Upon the Effective Date the Lead Plaintiff and each of the Class Members (other than those Persons or entities who shall timely and validly request exclusion from the Class) shall be deemed to have, and by operation of the Judgment shall have, fully, finally and forever released, relinquished and discharged all Released Claims against the Released Persons, whether or not such Class Member executes and delivers a Proof of Claim and Release form.

4.2 All Class Members (other than those Persons or entities who shall timely and validly request exclusion from the Class) shall be bound by the Releases set forth in this Settlement Agreement and in the Judgment whether or not they submit a valid and timely Proof of Claim and Release.

4.3 Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged the Lead Plaintiff, each and all of the Class Members, and Lead Counsel (and other Plaintiff's counsel) from all claims (including, without limitation, Unknown Claims) arising out of, relating to, or in connection with the institution, prosecution, assertion, Settlement or resolution of the Action or the Released Claims.

4.4 Nothing in this Settlement Agreement shall bar any suit or action to enforce the terms of this Settlement or the Judgment.

5. Administration and Calculation of Claims, Final Awards, and Supervision and Distribution of Settlement Fund

5.1 The Claims Administrator shall administer and calculate the claims submitted by Class Members.

5.2 The Settlement Fund shall be applied as follows:

(a) to pay all the costs and expenses reasonably and actually incurred in connection with providing notice, locating Class Members, assisting with the filing of claims, administering and distributing the Settlement Fund to Authorized Claimants, processing Proof of Claim forms and paying escrow fees and costs, if any;

(b) to fund the Settlement Fund Account established in accordance with ¶¶ 2.1 and 2.2 hereof;

(c) to pay the Taxes and Tax Expenses described in ¶ 2.8 hereof;

(d) to pay the Fee and Expense Award to the extent allowed by the Court; and

(e) after the Effective Date, to distribute the Net Settlement Fund to Authorized Claimants as allowed by the Settlement Agreement, the Plan of Allocation, or the Court.

5.3 Upon the Effective Date and thereafter, and in accordance with the terms of the Settlement Agreement, the Plan of Allocation, or such further approval and further order(s) of the Court as may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Authorized Claimants, subject to and in accordance with the following.

5.4 Within one hundred twenty (120) days after the mailing of the Notice or such other time as may be set by the Court, each Person claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a completed Proof of Claim, substantially in the form of Exhibit A-2 hereto, signed under penalty of perjury and supported by such documents as are specified in the Proof of Claim.

5.5 All Class Members who fail to timely submit a Proof of Claim and Release within such period, or such other period as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments pursuant to the Settlement Agreement and the Settlement set forth herein, but will in all other respects be subject to and bound by the provisions of this Settlement Agreement, the releases contained herein, and the Judgment.

5.6 The Net Settlement Fund shall be distributed to Authorized Claimants substantially in accordance with a Plan of Allocation to be

described in the Notice and approved by the Court. If there is any balance remaining in the Net Settlement Fund after six (6) months from the date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), Lead Counsel shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. Thereafter, any balance which still remains in the Net Settlement Fund shall be donated to one or more appropriate, non-profit, non-sectarian organizations, unaffiliated with Lead Counsel, to be designated by Lead Counsel with the consent of Defendants, such consent not to be unreasonably withheld.

5.7 The Settlement is not a claims-made settlement and, if all conditions of the Settlement are satisfied and the Settlement becomes Final, no portion of the Settlement Fund will be returned to the Defendants. The Defendants and their Related Parties shall have no responsibility for, interest in, or liability whatsoever with respect to the distribution of the Net Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of claims, the payment or withholding of Taxes or Tax Expenses, or any losses incurred in connection therewith.

5.8 No Person shall have any claim against Defendants or Defendants' counsel, Lead Counsel (or other plaintiff's counsel), the Claims

Administrator or other entity designated by Lead Counsel based on distributions made substantially in accordance with the Settlement Agreement and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

5.9 It is understood and agreed by the Parties that any proposed Plan of Allocation of the Net Settlement Fund including, but not limited to, any adjustments to an Authorized Claimant's claim set forth therein, is not a part of this Settlement and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the Settlement set forth in this Settlement Agreement, and any order or proceeding relating to the Plan of Allocation shall not operate to terminate or cancel this Settlement or affect or delay the finality of the Court's Judgment approving this Settlement Agreement and the Settlement set forth therein (including the Releases contained herein), or any other orders entered pursuant to this Settlement Agreement.

6. Lead Counsel's Attorneys' Fees and Expenses

6.1 Lead Counsel may submit a Fee and Expense Application for distributions to them from the Settlement Fund for: (a) an award of attorneys' fees; plus (b) payment of expenses, including the fees of any experts or consultants, incurred in connection with prosecuting the Action,

plus any interest on such attorneys' fees and expenses at the same rate and for the same periods as earned by the Settlement Fund (until paid), as may be awarded by the Court. Lead Counsel reserves the right to make additional applications for fees and expenses incurred in representing the Class after the Court approves the Settlement, however any such additional fees and expenses shall be paid solely from the Settlement Fund.

6.2 The attorneys' fees and expenses, as awarded by the Court, shall be paid to Lead Counsel from the Settlement Fund, as ordered, immediately after the Court executes an order awarding such fees and expenses. Lead Counsel may thereafter allocate the attorneys' fees and expenses among themselves in a manner in which they in good faith believe reflect the contributions of such counsel to the institution, prosecution and resolution of the Action. In the event that the Effective Date does not occur, or the Judgment or the order making the Fee and Expense Award is reversed or modified, or the Settlement is canceled or terminated for any other reason, and in the event that the Fee and Expense Award has been paid to any extent, then it shall be Lead Counsel's joint and several obligation to refund to the Settlement Fund the fees and expenses previously paid to them from the Settlement Fund plus interest thereon at the same rate as earned by the Settlement Fund in an amount consistent with such reversal or modification,

within fifteen (15) business days from receiving notice from Defendants' counsel or from a court of appropriate jurisdiction.

6.3 Application will also be made for reimbursement to the Lead Plaintiff for his reasonable costs and expenses (including lost wages) directly relating to his representation of the Class. Any such costs and expenses shall be paid solely from the Settlement Fund.

6.4 The procedure for and the allowance or disallowance by the Court of any applications by counsel for the Plaintiff for attorneys' fees and expenses, including the fees of experts and consultants, to be paid out of the Settlement Fund, are not part of the Settlement set forth in this Settlement Agreement, and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the Settlement set forth in this Settlement Agreement. Any order or proceedings relating to the Fee and Expense Application, or any appeal from any order relating thereto or reversal or modification thereof, shall not constitute grounds for cancellation or termination of this Settlement and shall not operate to terminate or cancel this Settlement Agreement or affect or delay the finality of the Judgment approving the Settlement Agreement and the settlement of the Action set forth therein (including the Releases contained herein).

6.5 The Defendants and their Related Parties shall have no responsibility for or liability with respect to any payment of attorneys' fees and expenses to any counsel for Plaintiff over and above payment from the Settlement Fund.

7. Conditions of Settlement, Effect of Disapproval, Cancellation or Termination

7.1 The Effective Date of this Settlement shall be conditioned on the occurrence of all of the following events:

(a) the Settlement Fund has been paid or caused to be paid as required by ¶¶ 2.1 and 2.2 hereof;

(b) the Court has entered the Preliminary Approval Order, as required by ¶ 3.1 hereof;

(c) the Court has entered the Judgment; and

(d) the Judgment has become Final, as defined in ¶ 1.14 hereof.

7.2 Upon the occurrence of all of the events referenced in ¶ 7.1 hereof, any and all remaining interest or right of the Defendants, or any one of them, in or to the Settlement Fund, if any, shall be absolutely and forever extinguished. If all of the conditions specified in ¶ 7.1 hereof are not met, then the Settlement shall be canceled and terminated subject to ¶ 7.4 hereof

unless Lead Counsel and counsel for the Defendants mutually agree in writing to proceed with the Settlement Agreement and the Settlement.

7.3 Unless otherwise ordered by the Court, in the event the Settlement shall terminate, or be canceled, or shall not become effective for any reason, then within ten (10) business days after written notification of such event is sent by counsel for the Defendants to the Escrow Agent and in accordance with the terms of ¶ 2.11 hereof, the Settlement Fund (including accrued interest), less any expenses and costs reasonably and actually incurred pursuant to the terms of this Settlement Agreement, shall be refunded by the Escrow Agent to the entity which deposited the Settlement Fund pursuant to written instructions from that entity. At the request of counsel for the Defendants, the Escrow Agent or its designee shall apply for any tax refund owed on the Settlement Fund and pay the proceeds, after deduction of any fees or expenses incurred in connection with such application(s) for refund, pursuant to written direction from counsel for the Defendants.

7.4 In the event that the Settlement Agreement is not approved by the Court or the Settlement set forth in the Settlement Agreement is terminated or fails to become effective in accordance with its terms, the Parties shall be restored to their respective positions in the Action as of the

day prior to the signing of the Settlement Agreement. In such event, the terms and provisions of the Settlement Agreement, except as provided herein, shall have no further force and effect with respect to the Parties and shall not be used in this Action or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of the Settlement shall be treated as vacated, *nunc pro tunc*. No order of the Court or modification or reversal on appeal of any order of the Court concerning the Plan of Allocation or the amount of any attorneys' fees, costs, expenses and interest awarded by the Court to Lead Counsel shall constitute grounds for cancellation or termination of the Settlement.

7.5 If the Effective Date does not occur, or if the Settlement is terminated pursuant to its terms, neither Plaintiff nor Lead Counsel (or other plaintiff's counsel), shall have any obligation to repay any amounts actually and properly disbursed for notice costs pursuant to ¶ 2.7. In addition, any expenses already incurred and properly chargeable pursuant to ¶ 2.7 hereof at the time of such termination or cancellation, but which have not been paid, shall be paid by the Escrow Agent in accordance with the terms of the Settlement Agreement prior to the balance being refunded in accordance with ¶¶ 2.11 and 7.3 hereof.

7.6 Each Defendant contributing to the Settlement Fund warrants that, as to the payments made by or on its behalf, at the time of such payment that the Defendant was not insolvent, nor did nor will the payment required to be made on its behalf render such Defendant insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including U.S.C. §§ 101 and 547 thereof.

7.7 If a case is commenced under Title 11 of the United States Code (Bankruptcy) in respect to any Defendant that has made a transfer to the Settlement Fund, or a trustee, receiver or conservator is appointed for such Defendant under any similar law, and in the event of the entry of a final order of a court of competent jurisdiction determining that Defendant's transfer to the Settlement Fund to be a preference, voidable transfer, fraudulent transfer or similar transaction, and such Settlement Fund is still held in escrow and is required to be returned, then, at the election of Lead Plaintiff, the Parties shall jointly move the Court to vacate and set aside the releases given and Judgment entered in favor of the Defendants pursuant to this Settlement Agreement, which releases and Judgment shall be null and void, and the Settlement shall be terminated, and the Parties shall be restored to their respective positions in the Action and any amounts in the Settlement Fund shall be returned as provided herein.

8. Miscellaneous Provisions

8.1 The Parties (a) acknowledge that it is their intent to consummate this Settlement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Settlement Agreement and to exercise their reasonable best efforts to accomplish the foregoing terms and conditions of the Settlement Agreement.

8.2 The Parties intend this Settlement to be a final and complete resolution of all disputes between them with respect to the Action. The Settlement compromises claims that are contested and shall not be deemed an admission by any Party as to the merits of any claim or defense. The Final Judgment will contain a statement that during the course of the Action, the Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11. The Parties reserve their right to rebut, in a manner that such Party determines to be appropriate, any contention made in any public forum that the Action was brought or defended in bad faith or without a reasonable basis.

8.3 Neither the Settlement Agreement nor the Settlement contained therein, nor any document submitted therewith including the Plan of Allocation, nor any act performed or document executed pursuant to or in furtherance of the Settlement Agreement or the Settlement: (a) is or may be

deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of any of the Defendants; or (b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Defendants in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Defendants may file the Settlement Agreement and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of, without limitation, claim preclusion or issue preclusion or similar defense or counterclaim.

8.4 All agreements made and orders entered during the course of the Action relating to the confidentiality of information shall survive this Settlement, pursuant to their terms.

8.5 All of the Exhibits to the Settlement Agreement are material and integral parts hereof and are fully incorporated herein by this reference.

8.6 Before entry of the Judgment, the Settlement Agreement may be amended or modified only by a written instrument signed by or on behalf of all Parties or their respective successors-in-interest. Following entry of the Judgment, the Settlement Agreement may be amended or modified only by a

written instrument signed by or on behalf of all Parties or their respective successors-in-interest and approved by the Court.

8.7 The Settlement Agreement and the Exhibits attached hereto constitute the entire agreement among the Parties hereto and no representations, warranties or inducements have been made to any Party concerning the Settlement Agreement or its Exhibits other than the representations, warranties and covenants contained and memorialized in such documents. Except as otherwise provided herein, each Party shall bear its own costs.

8.8 Lead Counsel, on behalf of the Class, are expressly authorized by the Lead Plaintiff to take all appropriate action required or permitted to be taken by the Class pursuant to the Settlement Agreement to effectuate its terms and also are expressly authorized to enter into any modifications or amendments to the Settlement Agreement on behalf of the Class which they deem appropriate.

8.9 Each counsel or other Person executing the Settlement Agreement or any of its Exhibits on behalf of any Party hereto hereby warrants that such Person has the full authority to do so.

8.10 The Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to

be one and the same instrument. A complete set of original executed counterparts shall be filed with the Court.

8.11 The Settlement Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto.

8.12 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Settlement Agreement, and all Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the settlement embodied in the Settlement Agreement.

8.13 The Settlement Agreement and the Exhibits hereto shall be considered to have been negotiated, executed and delivered, and to be wholly performed, in the State of New York, and the rights and obligations of the Parties to the Settlement Agreement shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of New York without giving effect to that State's choice-of-law principles.

8.14 Any notice, demand, or other communication under this Settlement Agreement (other than the Class Notice or other notice given at the direction of the Court) shall be in writing and shall be deemed duly given upon receipt if it is addressed to each of the intended recipients as set forth

below and delivered by both (i) email and (ii) by registered or certified mail (postage prepaid) or delivered by reputable express overnight courier:

If to Plaintiff:

Peter A. Binkow, Esq.
Glancy Binkow & Goldberg LLP
1801 Avenue of the Stars #311
Los Angeles, California 90067
(310) 201-9150
pbinkow@glancylaw.com

Ira M. Press, Esq.
Kirby McInerney LLP
825 Third Avenue, 16th floor
New York, New York 10022
(212) 371-6600
ipress@kmlp.com


If to the Defendants:

Stephanie G. Wheeler, Esq.
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
(212) 558-4000
wheelers@sullcrom.com

The Parties hereto or their counsel have caused the Settlement Agreement to be executed, as follows:

FOR THE LEAD PLAINTIFF:

Dated: July 12, 2010

By:  _____

Lionel Z. Glancy, Esq.
Peter A. Binkow, Esq.
GLANCY BINKOW & GOLDBERG LLP
1801 Avenue of the Stars #311
Los Angeles, California 90067
(310) 201-9150

Ira M. Press, Esq.
KIRBY MCINERNEY LLP
825 Third Avenue, 16th floor
New York, New York 10022
(212) 371-6600
*Lead Counsel for Lead Plaintiff and the
Class*

FOR THE GOLDMAN SACHS GROUP,
INC. and GOLDMAN, SACHS & CO.

Dated: July 12, 2010

By: *Stephanie G. Wheeler*
Gandolfo V. DiBlasi
Stephanie G. Wheeler
SULLIVAN & CROMWELL LLP
125 Broad Street
New York, New York 10004
(212) 558-4000
*Attorneys for Defendants
The Goldman Sachs Group, Inc. and
Goldman, Sachs & Co.*

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

HARVEY A. LAPIN, Individually, and On
Behalf of All Others Similarly Situated,

Plaintiff,

-against-

GOLDMAN, SACHS & CO., and
GOLDMAN SACHS GROUP, INC.,

Defendants.

04 Civ. 02236 (RJS)

**ORDER PRELIMINARILY APPROVING SETTLEMENT AND PROVIDING
FOR NOTICE OF PROPOSED SETTLEMENT**

EXHIBIT A

WHEREAS, a class action is pending before the Court entitled *Lapin v Goldman, Sachs & Co., et al.*, Civil Action No. 04-CV-02236, United States District Court for the Southern District of New York (Hon. Richard J. Sullivan) (the “Action”);

WHEREAS, the Court has received the Settlement Agreement and Release dated as of July 12, 2010 (the “Settlement Agreement”)¹, which has been entered into by the Lead Plaintiff and the Defendants, and the Court has reviewed the Settlement Agreement and the Exhibits annexed thereto;

WHEREAS, the Parties having made application, pursuant to Federal Rule of Civil Procedure 23(e), for an order preliminarily approving the Settlement of this Action, in accordance with the Settlement Agreement which, together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed Settlement of the Action and for dismissal of the Action with prejudice upon the terms and conditions set forth therein; and the Court having read and considered the Settlement Agreement and the Exhibits annexed thereto;

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Court does hereby preliminarily approve the Settlement Agreement and the Settlement set forth therein, subject to further consideration at the Settlement Hearing described below.

2. The Court finds that: (a) the Settlement Agreement resulted from arm’s-length negotiations; and (b) the Settlement Agreement is sufficiently fair, reasonable and adequate as to

¹ For purposes of this Order, the Court adopts all defined terms as set forth in the Settlement Agreement, and the terms used herein shall have the same meaning as in the Settlement Agreement.

the Class Members to warrant providing notice of the Settlement to Class Members and holding a Settlement Hearing.

3. The Settlement Hearing shall be held before this Court on _____, 2010, at ___:___ .m., to determine whether the proposed Settlement of the Action on the terms and conditions provided for in the Settlement Agreement is fair, reasonable and adequate to the Class and should be approved by the Court; whether a Judgment as provided in the Settlement Agreement should be entered herein; whether the proposed Plan of Allocation should be approved; whether to approve Lead Plaintiff's application for his reasonable costs and expenses (including lost wages) directly relating to his representation of the Class; and to determine the amount of fees and expenses that should be awarded to Lead Counsel. The Court may adjourn the Settlement Hearing without further notice to Members of the Class.

4. By Order dated September 15, 2008, the Court previously certified this Action as a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, consisting of a Class of all Persons or entities that purchased GS Group common stock on the open market between July 1, 1999 and May 7, 2002 and were purportedly damaged thereby. Excluded from the Class are Defendants herein, the officers and directors of Defendants, members of their immediate families, and the heirs, successors or assigns of any of the foregoing. There has been no prior notice to Class Members of the certification of the Class in this Action or prior opportunity for any Person or entity to request to be excluded from the Class.

5. The Court approves, as to form and content, the Notice of Proposed Settlement of Class Action, Motion for Attorneys' Fees and Settlement Fairness Hearing (the "Notice"), the Proof of Claim and Release form (the "Proof of Claim"), and Summary Notice ("Summary Notice") annexed as Exhibits A-1, A-2 and A-3 hereto, and finds that the mailing and

distribution of the Notice and publishing of the Summary Notice substantially in the manner and form set forth in this Order meet the requirements of Federal Rule of Civil Procedure 23 and Due Process, and is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all Persons entitled thereto.

6. Pending final determination by the Court as to whether the Settlement, as set forth in the Settlement Agreement, is fair, reasonable and adequate and should be finally approved and whether the Judgment dismissing the Action with prejudice should be approved, no Class Member, either directly, representatively or in any other capacity, shall assert, commence or prosecute against any of the Defendants or their Related Parties any of the Released Claims in this Action, or in any other proceeding or forum. This injunction is necessary to protect and effectuate the Settlement, this Order, and the Court's flexibility and authority to effectuate the Settlement and to enter judgment when appropriate, and is ordered in aid of the Court's jurisdiction and to protect its judgments.

7. The Court appoints The Garden City Group, Inc. ("Claims Administrator") to supervise and administer the notice procedure as well as the processing of claims as more fully set forth below:

(a) Not later than twenty (20) business days after the date of this Order (the "Notice Date"), the Claims Administrator shall cause a copy of the Notice and the Proof of Claim, substantially in the forms annexed as Exhibits A-1 and A-2 hereto, to be mailed by first class mail to all Class Members who can be identified with reasonable effort;

(b) Not later than thirty (30) business days after the date of this Order, the Claims Administrator shall cause the Summary Notice to be published once in The Wall Street Journal, and on a different day shall cause the Summary Notice to be published once in PR

Newsire;

(c) Not later than twenty (20) business days after the date of this Order, the Claims Administrator shall cause the Settlement Agreement and its Exhibits and a copy of the Notice to be posted on the following website: www.GardenCityGroup.com; and

(d) Not later than seventy (70) days after the date of this Order, Lead Counsel shall cause to be served on Defendants' counsel and filed with the Court proof, by affidavit or declaration, of such mailing, publishing and posting.

8. Nominees who purchased or acquired The Goldman Sachs Group, Inc. ("GS Group") common stock between July 1, 1999 and May 7, 2002, shall send the Notice and the Proof of Claim to all beneficial owners of such GS Group common stock within twenty (20) days after receipt thereof, or send a list of the names and addresses of such beneficial owners to the Claims Administrator within twenty (20) days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice and the Proof of Claim to such beneficial owners. Lead Counsel shall, if requested, reimburse banks, brokerage houses or other nominees solely for their reasonable out-of-pocket expenses incurred in providing the Notice to beneficial owners who are Class Members out of the Settlement Fund, which expenses would not have been incurred except for the sending of such Notice, subject to further order of this Court with respect to any dispute concerning such compensation.

9. Any Person falling within the definition of the Class may, upon request, be excluded from the Class. Any such Person must submit to the Claims Administrator a request for exclusion ("Request for Exclusion"), postmarked no later than twenty-one (21) days prior to the Settlement Hearing. A Request for Exclusion must state (a) the name, address, and telephone number of the Person requesting exclusion; (b) each of the Person's purchases and sales of GS

Group common stock made during the Class Period, including the dates of purchase or sale, the number of shares purchased and/or sold, and the price paid or received per share for each such purchase or sale; and (c) that the Person wishes to be excluded from the Class. All Persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the Settlement, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Settlement or the Judgment entered in this Action.

10. All Members of the Class (other than those Persons or entities who shall timely and validly request exclusion from the Class) shall be bound by all determinations and judgments in the Action concerning the Settlement, whether favorable or unfavorable to the Class.

11. Class Members (other than those Persons or entities who shall timely and validly request exclusion from the Class) who wish to collect in the Settlement shall complete and submit Proof of Claim forms in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proof of Claim forms must be postmarked no later than one hundred twenty (120) days from the Notice Date. Any Class Member who does not timely submit a Proof of Claim within the time provided for shall be barred from sharing in the distribution of the proceeds of the Net Settlement Fund, unless otherwise ordered by the Court.

12. Any Member of the Class may enter an appearance in the Action, at his, her or its own expense, individually or through counsel of his, her or its own choice. If they do not enter an appearance, Lead Counsel will represent them.

13. Any Member of the Class (other than those Persons or entities who shall timely and validly request exclusion from the Class) may appear and show cause, if he, she or it has any reason, why the proposed Settlement of the Action should or should not be approved as fair, reasonable and adequate, why a Judgment should or should not be entered thereon, why the Plan

of Allocation should or should not be approved, or why attorneys' fees and reimbursement of expenses should or should not be awarded to Lead Counsel or Lead Plaintiff; provided, however, that no Class Member or any other Person shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, or, if approved, the Judgment to be entered thereon approving the same, or the order approving the Plan of Allocation, the expenses to be reimbursed to Lead Plaintiff, or the attorneys' fees and expenses to be awarded to Lead Counsel, unless that Person has filed said objections, papers and briefs with the Clerk of the United States District Court for the Southern District of New York, no later than twenty-one (21) days prior to the Settlement Hearing and delivered copies of any such papers to counsel identified in the Notice, such that they are received on or before such date. Any Member of the Class who does not make his, her or its objection in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any such objection, unless otherwise ordered by the Court.

14. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Settlement Agreement or further order(s) of the Court.

15. All papers in support of the Settlement, the Plan of Allocation, Lead Plaintiff's application for reimbursement of expenses, and the application for attorneys' fees or expenses, shall be filed and served not later than thirty-five (35) days prior to the Settlement Hearing. Any papers in further support of the Settlement, the Plan of Allocation, Lead Plaintiff's application for reimbursement of expenses, and the application for attorneys' fees or expenses, shall be filed and served no later than ten (10) days prior to the Settlement Hearing.

16. Neither the Defendants nor their Related Parties shall have any responsibility for or liability with respect to the Plan of Allocation or any application for attorneys' fees or expenses submitted by Lead Counsel, and such matters will be considered separately from the fairness, reasonableness and adequacy of the Settlement.

17. At or after the Settlement Hearing, the Court shall determine whether the Plan of Allocation proposed by Lead Counsel, and any application for attorneys' fees or expenses, and reimbursement of Lead Plaintiff's reasonable costs and expenses, shall be approved.

18. All reasonable expenses incurred in identifying and notifying Class Members, as well as administering the Settlement Fund, shall be paid as set forth in the Settlement Agreement. In the event the Settlement is not approved by the Court, or otherwise fails to become effective, neither the Lead Plaintiff nor Lead Counsel shall have any obligation to repay any amounts actually and properly disbursed from the Settlement Fund.

19. Neither the Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by the Defendants of the truth of any of the allegations in the Action, or of any liability, fault, or wrongdoing of any kind and shall not be construed as, or deemed to be evidence of or an admission or concession that Lead Plaintiff or any Class Members have suffered any damages, harm, or loss.

20. In the event that the Settlement does not become effective in accordance with the terms of the Settlement Agreement or the Effective Date does not occur, or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendants, then this Order shall be rendered null and void to the extent provided by and in accordance with the Settlement Agreement and shall be vacated and, in such event, all orders entered and Releases delivered in

connection herewith shall be null and void to the extent provided by and in accordance with the Settlement Agreement.

21. Pending the Settlement Hearing, the Court stays all proceedings in the Action, other than proceedings necessary to carry out or enforce the terms and conditions of the Settlement Agreement.

22. The Court reserves the right to adjourn the date of the Settlement Hearing without further notice to the Members of the Class, and retains jurisdiction to consider all further applications arising out of or connected with the Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the Parties, if appropriate, without further notice to the Class.

DATED: _____

The Honorable Richard J. Sullivan
United States District Judge

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

HARVEY A. LAPIN, Individually, and On
Behalf of All Others Similarly Situated,

Plaintiff,

-against-

GOLDMAN, SACHS & CO., and
GOLDMAN SACHS GROUP, INC.,

Defendants.

04 Civ. 02236 (RJS)

**NOTICE OF PROPOSED SETTLEMENT
OF CLASS ACTION, MOTION FOR
ATTORNEYS' FEES AND
SETTLEMENT FAIRNESS HEARING**

EXHIBIT A-1

IF YOU PURCHASED OR ACQUIRED THE GOLDMAN SACHS GROUP, INC. COMMON STOCK BETWEEN JULY 1, 1999 AND MAY 7, 2002, YOU COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

Your legal rights are affected whether you act, or don't act.
Read this Notice carefully.

Security and Time Period: The Goldman Sachs Group, Inc. ("GS Group") common stock (stock symbol: GS; cusip no: 38141G104) purchased or acquired between July 1, 1999 and May 7, 2002 (the "Class Period"). During the Class Period, the stock symbol for GS Group on the New York Stock Exchange was "GS".

Settlement Fund: \$29,000,000 in cash. Your recovery will depend on the number of shares of GS Group common stock you, and other Class Members who file claims, purchased and sold and the prices at which you, and the other Class Members who file claims, purchased and sold those shares. The estimated average recovery per share of common stock, based on the 230,500,000 GS Group common shares which were available to be traded during the Class Period, will be approximately \$0.126 per share before deduction of Court-approved fees and expenses and costs of notice and claims administration. The number of shares claimed in the Settlement is likely to be different than 230,500,000 shares because some Class Members may not file claims on shares they purchased during the Class Period, and certain shares may have traded more than once during the Class Period and more than one Class Member may file claims on those shares.

Reasons for Settlement: This action (the "Action") arises from investigations, announced in April 2002, by government entities into the independence of the firm's research analysts. The Plaintiff alleges that, during the Class Period, GS Group's stock price was

artificially inflated as a result of untrue or materially misleading statements concerning the research activities of Goldman, Sachs & Co. (“Goldman Sachs”), including statements about the objectivity and independence of the firm’s investment research. Plaintiff further contends that Defendants made these statements knowing them to be false or misleading, or recklessly disregarding their false or misleading natures, and that investors suffered injury as a result of the alleged inflation. The case has been litigated since July 2003, for almost 7 years. Dispositive pre-trial summary judgment and other motions were to be filed on June 15, 2010. The Lead Plaintiff and Lead Counsel believe that the Settlement provides the Class with a benefit now instead of years of further uncertain litigation, including disposition of the summary judgment motions, a contested trial and likely appeals, with the possibility of no recovery at all.

The Defendants have denied and continue to deny each and all of the claims and contentions alleged in the Second Amended Class Action Complaint and believe that they have meritorious defenses to those claims and contentions. The Settlement shall in no event be construed as, or deemed to be evidence of, an admission or concession by any of Defendants with respect to any claim of any fault or liability or wrongdoing or damage to the Class Members in this Action.

Nevertheless, Defendants have concluded that further defense of the Action would be protracted and expensive, and also have taken into account the uncertainty, risks and distractions inherent in any litigation.

If the Case Had Not Settled: The Settlement must be compared to the risk of no recovery after contested dispositive motions, trial and likely appeals. A trial is a risky proposition and Lead Plaintiff may not prevail. The claims in the Action involve numerous complex legal and factual issues, many of which would require expert testimony. The Parties disagree on most

key issues affecting liability in the Action, including (1) whether Defendants made any materially false or misleading statements during the Class Period, (2) in the event that Plaintiff can establish that Defendants made any false or misleading statements, whether Plaintiff can also prove that Defendants acted with scienter in so doing, and (3) the impact, if any, that any alleged false or misleading statements had on the market price of GS Group common stock during the relevant period. The Parties also disagree on the amount of damages that Class Members could have recovered in the event that Lead Plaintiff establishes liability at trial. Among the issues on which the Parties disagree are (1) whether the Class must prove that GS Group's common stock price increased in response to the alleged false or misleading statements, (2) whether Plaintiff must and can demonstrate that there were corrective disclosures at the end of the Class Period that revealed the inaccuracy of Defendants' prior statements, (3) whether Plaintiff can demonstrate that the price of GS Group common stock declined in a statistically significant manner in response to the alleged corrective disclosures of the alleged fraud, and (4) whether any such declines can be attributed to factors that are unrelated to the claims in this Action. Lead Plaintiff believes that, if the Class were to establish liability, and if the Class were to prevail at trial on all of the issues on which the Parties disagree with respect to damages, the average amount of damages per share (depending on the prices and dates at which the shares were purchased and sold) would be \$3.88. Defendants believe that no liability would be established and that the Class would not be entitled to any damages in this Action even if liability were proven. The Parties also continue to disagree on previous rulings in the Action, which could be subject to review on an appeal, including (1) whether Plaintiff's claims are barred by the statute of limitations, and (2) whether a class was properly certified in this Action.

Attorneys' Fees and Expenses: Lead Counsel have not received any payment for their work or expenses incurred in investigating the facts, conducting this litigation and negotiating the Settlement on behalf of the Lead Plaintiff and the Class. Lead Counsel will ask the Court for attorneys' fees not to exceed one-third (1/3) of the Settlement Fund and expenses not to exceed \$1,050,000 to be paid from the Settlement Fund. Lead Plaintiff will also request reimbursement of his actual costs and expenses (including lost wages) directly related to his representation of the Class, not to exceed \$12,400.

If the above amounts are requested and approved by the Court, the average cost per share of common stock (based on the estimated 230,500,000 damaged GS Group shares) will be approximately \$0.046 per share, making the estimated recovery per share after fees and expenses \$0.079.

Dismissal and Releases: If the proposed Settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice (the "Judgment"). The Judgment will dismiss the Released Claims with prejudice as to the Released Persons, which include the Defendants and their Related Parties (including, but not limited to, their parents, subsidiaries and affiliates, and all of their employees, directors and officers). The Judgment will provide that all Class Members shall be deemed to have released and forever discharged all Released Claims (to the extent Members of the Class have such claims) against all Released Persons. The terms of the releases, including the meaning of the term "Released Claims," are set forth in the Proof of Claim and Release form that is enclosed.

Deadlines:

Submit Claim: _____, 2010

File Objection: _____, 2010

Request Exclusion _____, 2010

Court Hearing on Fairness of Settlement: _____, 2010

More Information: www.gardencitygroup.com

Claims Administrator:

Goldman Sachs Securities Litigation
Claims Administrator
c/o The Garden City Group, Inc.
P.O. Box 9652
Dublin, OH 43017-4952
1-866-682-1768

Lead Counsel:

Peter A. Binkow, Esq.
Glancy Binkow & Goldberg LLP
1801 Avenue of the Stars #311
Los Angeles, California 90067
(310) 201-9150
settlements@glancylaw.com

- Your legal rights are affected whether you act, or don't act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

SUBMIT A CLAIM	The only way to receive a payment.
OBJECT	You may write to the Court if you do not like this Settlement.
EXCLUDE YOURSELF	Receive no payment. This is the only option that allows you to participate in another lawsuit against the Defendants relating to the class claims being released in this case.
GO TO A HEARING	You may ask to speak in Court about the fairness of the Settlement.
DO NOTHING	Receive no payment.

- Unless you timely request exclusion from the Class, or unless the Court rejects the proposed Settlement, you are bound by the Settlement Agreement and its Release, whether or not you submit a claim.

- These rights and options — *and the deadlines to exercise them* — are explained in this Notice.
- The Court presiding over this case must decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION

1. Why did I receive this notice package?
2. What is this lawsuit about?
3. Why is this a class action?
4. Why is there a Settlement?

WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the Settlement?
6. Where are the exceptions to being included?
7. I'm still not sure if I'm included.

THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What does the Settlement provide?
9. How much will my payment be?

HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM

10. How can I obtain a payment?
11. When will I receive my payment?
12. What am I giving up to receive a payment?

EXCLUDING YOURSELF FROM THE CLASS ACTION SETTLEMENT

13. How Do I Get Out of the Class?
14. If I Do Not Exclude Myself, Can I Sue the Defendants for the Same Thing Later?
15. If I Exclude Myself, Can I Receive Money from the Class Action Settlement?

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in the case?
17. How will the lawyers be paid?

OBJECTING TO THE SETTLEMENT

18. How do I tell the Court that I do not like the Settlement?

THE COURT'S SETTLEMENT HEARING

19. When and where will the Court decide whether to approve the Settlement?
20. Do I have to come to the hearing?
21. May I speak at the hearing?

IF YOU DO NOTHING

22. What happens if I do nothing at all?

GETTING MORE INFORMATION

23. Are there more details about the Settlement?

UNDERSTANDING YOUR PAYMENT

BASIC INFORMATION

I. Why Did I Receive This Notice Package?

You or someone in your family may have purchased or acquired GS Group common stock between July 1, 1999 and May 7, 2002.

This Notice was sent because you have a right to know about a proposed Settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments to those persons who timely submit claims in the manner described below.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of New York, and the case is known as *Lapin v. Goldman, Sachs & Co., et al.*, Civil Action No. 04-CV-02236. Harvey Lapin, who brought this action, is called Lead Plaintiff, and the companies he sued, Goldman Sachs and GS Group, are collectively called the Defendants. The Parties include Lead Plaintiff and the Defendants.

2. What Is This Action About?

This Action alleges violations of the Federal Securities Laws (specifically, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder) against GS Group and Goldman Sachs.

GS Group is a publicly traded bank and financial holding company based in New York, NY. Goldman Sachs is the firm's principal U.S. broker-dealer and investment bank. During the Class Period, GS Group common stock traded on the New York Stock Exchange (NYSE) under the ticker symbol "GS."

The Plaintiff alleges that, during the Class Period, GS Group's stock price was artificially inflated as a result of untrue or materially misleading statements concerning Goldman Sachs' research activities, including statements about the objectivity and independence of the firm's investment research. Plaintiff further contends that Defendants made these statements knowing them to be false or misleading, or recklessly disregarding their false or misleading natures, and that investors suffered injury as a result of the alleged inflation.

3. Why Is This a Class Action?

Class actions are generally used in lawsuits that affect a large number of individuals; in effect, the class action operates to consolidate into a single action all of the claims of individuals allegedly harmed by the same conduct or course of conduct, thus alleviating the need for members of the class to file their own individual lawsuits to recover for the harm alleged. Once the class is certified, the Court is empowered to resolve all issues on behalf of members of the class, except for those members of the class, if any, who specifically choose to exclude themselves from the Class.

The Action was certified as a class action on behalf of all purchasers of GS Group common stock during the Class Period, other than Defendants and certain persons affiliated with them, pursuant to an Order dated September 15, 2008. All Class Period purchasers of GS Group common stock are Members of the Class, except those persons who timely file a request for exclusion by _____, 2010. All persons who do not timely exclude themselves from the Class will be bound by the proposed Settlement and its accompanying Release.

4. Why Is There a Settlement?

The Court did not decide in favor of Plaintiff or Defendants. Instead, both sides agreed to a Settlement. This permits them to avoid the cost and uncertainty of a trial, and permits eligible Class Members who submit valid claims to receive compensation. The Lead Plaintiff and his attorneys believe the Settlement is best for all Class Members. The Defendants have concluded that further defense of the Action would be protracted and expensive, and also have taken into account the uncertainty, risks and distractions inherent in any litigation, especially in a complex case such as the Action.

WHO IS IN THE SETTLEMENT

To see if you will receive money from this Settlement, you first have to determine if you are a Class Member.

5. How Do I Know if I Am Part of the Settlement?

The Class includes **all persons or entities who purchased or acquired shares of GS Group common stock between July 1, 1999 and May 7, 2002.**

6. What Are the Exceptions to Being Included?

You are not a Class Member if you are a Defendant, an officer or director of GS Group or Goldman Sachs, members of their immediate families, and the heirs, successors or assigns of any of the foregoing.

7. I'm Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can call Peter A. Binkow of Glancy Binkow & Goldberg LLP at 1-888-773-9224 for more information. Or you can fill out and return the claim form described in question 10, to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What Does the Settlement Provide?

The Settlement will result in a fund of \$29 million in cash. The balance of this fund after payment of Court-approved attorneys' fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing the newspaper notice (the "Net Settlement Fund") will be divided among all eligible Class Members who send in valid claim forms.

9. How Much Will My Payment Be?

Your share of the Net Settlement Fund will depend on the number of valid claim forms that Class Members send in, the number of GS Group common shares you purchased or acquired during the relevant period, and the timing of your purchases and sales.

You can calculate your Recognized Claim in accordance with the formula shown below in the Plan of Allocation. After all Class Members have sent in their Proof of Claim and Release forms, the payment you receive will reflect your Recognized Claim in relation to the Recognized Claims of all persons submitting Claim Forms. The Recognized Claim is not the amount of the

payment that you can expect, but is used to determine how the Net Settlement Fund is allocated among all persons submitting claims.

HOW YOU OBTAIN A PAYMENT — SUBMITTING A CLAIM FORM

10. How Will I Obtain a Payment?

To qualify for payment, you must be an eligible Class Member, send in a valid Proof of Claim and Release form, and properly document your claim as requested in the Claim Form. A Proof of Claim and Release form is enclosed with this Notice. You may also get a Proof of Claim and Release form on the internet at www.GardenCityGroup.com. Read the instructions carefully, fill out the Proof of Claim and Release form, include the documents the form asks for, sign it, and mail it in the enclosed envelope postmarked no later than _____, 2010.

11. When Will I Receive My Payment?

The Court will hold a hearing on _____, 2010, to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Even if no appeals are filed, it will take several months for the Claims Administrator to process all of the Proof of Claim and Release forms and determine the ultimate distribution amounts.

12. What Am I Giving Up to Receive a Payment?

As a Class Member, you will not be giving up any rights that you currently have by submitting a Proof of Claim and Release form to receive a payment. Unless you timely exclude yourself from the Class by the _____, 2010 deadline, you are a Member of the Class and will be bound by the Release of claims against the Defendants. That means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the Released Claims

in this case. It also means that all of the Court's Orders will apply to you and legally bind you and you will release your claims in this case against the Defendants. The terms of the Release are included in the claim form that is enclosed.

EXCLUDING YOURSELF FROM THE CLASS ACTION SETTLEMENT

If you do not want a payment from the class action Settlement, but you want to keep the right to sue or continue to sue the Defendants on your own for the Released Claims in the class action then you must take steps to get out of the Class. This is called excluding yourself or is sometimes referred to as opting out of the Class.

13. How Do I Get Out of the Class?

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from *Lapin v. Goldman, Sachs & Co., et al.*, Civil Action No. 04-CV-02236. You must include your name, address, telephone number, your signature, and the number of shares of GS Group common stock you purchased between July 1, 1999 and May 7, 2002, the number of shares sold during this time period, if any, and the dates of such purchases and/or

sales. You must mail your exclusion request postmarked no later than _____, 2010 to:

Goldman Sachs Securities Litigation
Claims Administrator
c/o The Garden City Group, Inc.
P.O. Box 9652
Dublin, OH 43017-4952
1-866-682-1768

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to receive any settlement payment, and you cannot object to the class action Settlement. You will not be legally bound by anything that happens in the class action lawsuit.

14. If I Do Not Exclude Myself, Can I Sue the Defendants for the Same Thing Later?

No. Unless you exclude yourself from the Class, you give up any right to sue the Defendants or their Released Persons for the Released Claims in the class action Settlement. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is _____, 2010.

15. If I Exclude Myself, Can I Receive Money from the Class Action Settlement?

No. If you exclude yourself, do not send in a Claim Form. But, you may sue, continue to sue, or be part of a different lawsuit involving the Released Claims against the Defendants.

THE LAWYERS REPRESENTING YOU

16. Do I Have a Lawyer in This Case?

The Court appointed the law firms of Glancy Binkow & Goldberg LLP and Kirby McInerney LLP to represent you and other Class Members. These lawyers are called Lead Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will the Lawyers Be Paid?

Lead Counsel will ask the Court for attorneys' fees of one-third of the Settlement Fund and for expenses up to \$1,050,000, which were advanced in connection with the Action. Lead Plaintiff will also request reimbursement of his actual costs and expenses (including lost wages) directly related to his representation of the Class, not to exceed \$12,400. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Lead Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. Since the case began in 2003, Lead Counsel have conducted all of the investigation, document review, depositions, briefing and motions practice necessary to prepare the case for trial, and employed experts to testify on behalf of the Class. To date, Lead Counsel have not been paid for their services in conducting this litigation on behalf of the Lead Plaintiff and the Class, nor for their substantial expenses. Lead Counsel have expended to date more than 28,000 hours of attorney and paralegal time in prosecuting the Class's claims and have incurred almost \$1,000,000 in out of pocket expenses in prosecuting the Action. The fee requested will compensate Lead Counsel for their work in achieving the Settlement Fund.

Lead Counsel shall file a formal motion with the District Court for approval of the Settlement, the Plan of Allocation, and the request for attorneys' fees and reimbursement of expenses not later than 35 days prior to the Settlement Hearing. That motion will argue that Lead Counsel's requested fees are well within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court determines what counsel should receive from the Settlement Fund for fees and expenses, and may award less than this amount.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How Do I Tell the Court that I Do Not Like the Settlement?

If you are a Class Member, you can object to the Settlement if you do not like any part of it, including the Plan of Allocation and the request for attorneys' fees. You can state the reasons why you think the Court should not approve it, and the Court will consider your views. To object, you must send a letter saying that you object to the Settlement in *Lapin v. Goldman, Sachs & Co., et al.*, Civil Action No. 04-CV-02236. Be sure to include your name, address, telephone number, your signature, the number of shares of GS Group common stock purchased and/or acquired between July 1, 1999 and May 7, 2002, and the reasons you object. Any objection must be mailed or delivered such that it is received by *each* of the following no later than [21 days prior to the Settlement Hearing], _____, 2010:

Court:

Clerk of the Court
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street
New York, NY 10007-1312

Lead Counsel Designee:

Peter A. Binkow, Esq.
Glancy Binkow & Goldberg LLP
1801 Avenue of the Stars #311
Los Angeles, California 90067
(310) 201-9150

Defendants' Counsel Designee:

Stephanie G. Wheeler, Esq.
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
(212) 558-4000

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to.

19. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a Settlement Hearing at __:__ __.m., on _____, 2010, at the Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, Courtroom 21C, New York, New York, 10007. At this hearing the Court will consider whether the Settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court will also consider how much to pay to Lead Counsel and whether the Plan of Allocation is fair, reasonable and adequate. The Court may decide these issues at the hearing or take them under consideration for a later decision.

20. Do I Have to Come to the Hearing?

No. Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

21. May I Speak at the Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter saying that it is your intention to appear in *Lapin v Goldman, Sachs & Co., et*

al., Civil Action No. 04-CV-02236. Be sure to include your name, address, telephone number, your signature, and the number of shares of GS Group common stock purchased or acquired between July 1, 1999 and May 7, 2002. Your notice of intention to appear must be received no later than [21 days prior to the Settlement Hearing], _____, 2010, by the Clerk of the Court, Lead Counsel Designee and Defendants' Counsel Designee, at the three addresses listed in question 18.

IF YOU DO NOTHING

22. What Happens if I Do Nothing at All?

If you do nothing, all of your claims against the Defendants will be released, but you will not receive any money from this Settlement because it is necessary to submit a Proof of Claim and Release form.

GETTING MORE INFORMATION

23. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement dated as of July 12, 2010. You can obtain a copy of the Settlement Agreement or more information about the Settlement by contacting Lead Counsel:

Peter A. Binkow, Esq.
Glancy Binkow & Goldberg LLP
1801 Avenue of the Stars, #311
Los Angeles, California 90067
settlements@glancylaw.com
1-888-773-9224

or the Claims Administrator:

Goldman Sachs Securities Litigation
Claims Administrator
c/o The Garden City Group, Inc.
P.O. Box 9652
Dublin, OH 43017-4952
1-866-682-1768

or by visiting www.gardencitygroup.com

You can also obtain a copy from the Clerk's office during regular business hours:

Clerk of the Court
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
Daniel P. Moynihan U.S. Courthouse
500 Pearl Street
New York, New York 10007-1312

UNDERSTANDING YOUR PAYMENT

The Net Settlement Fund shall be distributed to Class Members who submit acceptable Proofs of Claim ("Authorized Claimants") in the following manner:

a. The Claims Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon the recognized loss formula (the "Recognized Loss") described below. The Recognized Loss formula is intended to equitably apportion the Net Settlement Fund among Class Members. The Recognized Loss formula is not an estimate of what a Class Member would have recovered after trial; nor is it the amount that the Authorized Claimant will be paid pursuant to the Settlement.

b. A Class Member's actual share of the Net Settlement Fund will be determined by the ratio of the Class Member's Recognized Loss divided by the aggregate of the Recognized Loss of all Class Members.

c. This Plan of Allocation is based on the following principles applicable to Class Members if the Action had gone to trial:

i. Lead Plaintiff asserted claims pursuant to Section 10(b) of the Securities Exchange Act of 1934 ("Section 10(b)"). Damages under Section 10(b) are calculated, among other things, by determining the stock price drop caused by the disclosure of information correcting prior materially false and misleading statements or reflecting materializations of risks which were a foreseeable consequence of the alleged concealment. Lead Plaintiff contended in the Action, among other things, that the first corrective disclosure or materialization of the risk of materially false and misleading statements complained of occurred on April 10, 2002.

d. Accordingly, a Class Member's Recognized Loss shall be the lesser of:

For shares of GS Group common stock purchased between July 1, 1999 and May 7, 2002:

A. For shares sold between July 1, 1999 and May 7, 2002, the Recognized Loss shall be that number of shares multiplied by the lesser of:

- (1) the applicable purchase date artificial inflation per share figure less the applicable sales date artificial inflation per share figure, as found in Table A; or
- (2) the difference between the purchase price per share and the sales price.

B. For shares sold between May 8, 2002 and August 5, 2002, the Recognized Loss shall be the lesser of:

- (1) the applicable purchase date artificial inflation per share figure, as found in Table A; or

(2) the difference between the purchase price per share and the average closing price of GS Group common stock between May 8, 2002 and the date of sale.¹

C. For shares held at the end of trading on August 5, 2002, the Recognized Loss shall be that number of shares multiplied by the lesser of:

- (1) the applicable purchase date artificial inflation per share figure, as found in Table A; or
- (2) the difference between the purchase price per share and \$74.117.²

Table A

<u>Purchase or Sale Date Range</u>	<u>Artificial Inflation Per Share</u>
07/01/1999 – 04/09/2002	\$4.365
04/10/2002	\$3.365
04/11/2002 – 04/22/2002	\$2.070
04/23/2002	\$0.451
04/24/2002 – 05/07/2002	\$0.283

e. A purchase or sale of GS Group common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

¹ Pursuant to Section 21(D)(e)(2) of the Private Securities Litigation Reform Act of 1995, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, if the plaintiff sells or repurchases (cont’d) the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff’s damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security.”

² Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated.” \$74.117 was the mean closing price of GS Group common stock during the 90-day period beginning on May 8, 2002 and ending on August 5, 2002.

f. The receipt or grant by gift, devise or operation of law of GS Group common stock during the Class Period shall not be deemed a purchase or sale of GS Group shares for the calculation of an Authorized Claimant's Recognized Loss nor shall it be deemed an assignment of any claim relating to the purchase of such securities. The grantor of the gift or devise, who purchased GS Group common stock during the Class Period, shall retain the right to file a claim in this Action unless that right to file a claim was specifically transferred in the instrument of gift or assignment.

g. The receipt of GS Group common stock during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of GS Group common stock.

h. Any gains on sales of GS Group common stock shall be offset against losses in calculating the Recognized Loss. To the extent a Claimant had an overall gain from transactions in GS Group common stock during the Class Period, the value of the Recognized Loss will be zero.

i. No Authorized Claimant whose proportionate share of the Net Settlement Fund is less than \$20.00 shall receive a distribution from the Net Settlement Fund. Rather, that Claimant's proportionate share of the Net Settlement Fund shall be redistributed among all remaining Authorized Claimants.

j. Class Members who do not submit a timely request for exclusion and do not submit an acceptable Proof of Claim by the deadline for submitting claims, will not share in the recovery, but nevertheless will be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action.

k. Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO NOMINEES

The Court has ordered that if you held any GS Group common stock purchased or acquired between July 1, 1999 and May 7, 2002 as nominee for a beneficial owner, then, within twenty (20) days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Goldman Sachs Securities Litigation
Claims Administrator
c/o The Garden City Group, Inc.
P.O. Box 9652
Dublin, OH 43017-4952
1-800-682-1768

If you choose to mail the Notice and Proof of Claim and Release yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for administrative costs actually incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

HARVEY A. LAPIN, Individually, and On
Behalf of All Others Similarly Situated,

Plaintiff,

-against-

GOLDMAN, SACHS & CO., and
GOLDMAN SACHS GROUP, INC.,

Defendants.

04 Civ. 02236 (RJS)

PROOF OF CLAIM AND RELEASE

EXHIBIT A-2

I. GENERAL INSTRUCTIONS

1. To recover as a Member of the Class based on your claims in the action entitled *Lapin v. Goldman, Sachs & Co., et al.*, Civil Action No. 04-CV-02236 (the “Action”), you must complete and, on page ___ hereof, sign this Proof of Claim and Release. Even if you do not fill out this Proof of Claim and Release, any and all claims you may have against the Defendants in this Action are released to the full extent defined below by virtue of your participation in this Class Action as a non-excluded Class Member. If you fail to file a properly addressed (as set forth in paragraph 3 below) Proof of Claim and Release, your claim may be rejected and you may be precluded from any recovery from the Net Settlement Fund created in connection with the proposed Settlement of the Action.

2. Submission of this Proof of Claim and Release, however, does not assure that you will share in the proceeds of Settlement in the Action.

3. YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE POSTMARKED ON OR BEFORE _____, 2010, ADDRESSED AS FOLLOWS:

Goldman Sachs Securities Litigation
Claims Administrator
c/o The Garden City Group, Inc.
P.O. Box 9652
Dublin, OH 43017-4952
1-866-682-1768

If you are NOT a Member of the Class, as defined in the Notice of Proposed Settlement of Class Action, Motion for Attorneys’ Fees and Settlement Fairness Hearing (“Notice”), DO NOT submit a Proof of Claim and Release form.

4. If you are a Member of the Class, you are bound by the terms of any Judgment entered in the Action, including the Release included in the Settlement Agreement, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM AND RELEASE FORM.

II. DEFINITIONS

1. “Claims Administrator” means The Garden City Group, Inc.

2. “Class” means

All persons and entities that purchased The Goldman Sachs Group, Inc. common stock on the open market between July 1, 1999 and May 7, 2002 and were purportedly damaged thereby. Excluded from the Class are Defendants herein, the officers and directors of The Goldman Sachs Group, Inc. and Goldman Sachs & Co., members of their immediate families, and the heirs, successors or assigns of any of the foregoing.

Also excluded from the Class are those Persons who timely and validly request exclusion from the Class by the _____, 2010 deadline pursuant to the Notice of Proposed Settlement of Class Action.

3. “Class Member” or “Member of the Class” mean a Person who falls within the definition of the Class.

4. “Defendants” means The Goldman Sachs Group, Inc. and Goldman, Sachs & Co.

5. “Goldman Sachs” means Goldman, Sachs & Co.

6. “GS Group” means The Goldman Sachs Group, Inc.

7. “Parties” means, collectively, each of the Defendants, and the Lead Plaintiff on behalf of himself and the Class Members.

8. “Related Parties” means parents, subsidiaries and affiliates, and all their past, present and future respective directors, officers, employees, partners, insurers, co-insurers, reinsurers, agents, controlling shareholders, attorneys, accountants, auditors, advisors, investment advisors,

personal or legal representatives, predecessors, successors, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, any entity in which GS Group, Goldman Sachs or Henry M. Paulson has a controlling interest.

9. “Released Claims” shall collectively mean all claims (including “Unknown Claims” as defined in ¶ 11 hereof), demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, contingent or non-contingent, matured or unmatured, whether or not concealed or hidden, which now exist, or heretofore have existed, asserted or that might have been asserted by the Class or any Member of the Class, including, without limitation, class, derivative, direct actions, claims for negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, or violations of any state or federal statutes, rules or regulations including, without limitation, the federal securities laws and the regulations promulgated pursuant to the federal securities laws, or common law principles against the Released Persons or any of them, arising out, based upon or in any way related to the purchase, acquisition or holding of the common stock of GS Group during the Class Period and the acts, failures to act, facts, transactions, events, disclosures, statements or omissions that were or could have been alleged by the Class or any Member of the Class in the Action.

10. “Released Persons” means The Goldman Sachs Group, Inc., Goldman, Sachs & Co., and Henry M. Paulson and each and all of their Related Parties.

11. “Unknown Claims” shall collectively mean all claims, demands, rights, liabilities, and causes of action of every nature and description which the Lead Plaintiff or any Class Member does not know or suspect to exist in his, her, or its favor at the time of the Release of the Released Persons

which, if known by him, her, or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date, the Lead Plaintiff shall expressly waive, and each of the Class Members shall be deemed to have waived, and by operation of the Judgment shall have waived, the provisions, rights, and benefits of California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Lead Plaintiff shall expressly and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code §1542. The Lead Plaintiff and Class Members may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but the Lead Plaintiff shall expressly fully, finally, and forever settle and release, and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Lead Plaintiff acknowledges, and the Class Members shall

be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this Release is a part.

III. CLAIMANT IDENTIFICATION

1. If you purchased or acquired GS Group common stock and held the certificate(s) in your name, you are the beneficial purchaser as well as the record purchaser. If, however, the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm through which you purchased the stock, you are the beneficial purchaser and the third party is the record purchaser.

2. Use Part I of this form entitled "Claimant Identification" to identify each purchaser of record ("nominee"), if different from the beneficial purchaser of GS Group securities which form the basis of this claim. **THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER/ACQUIROR OR PURCHASERS/ACQUIRORS, OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER/ACQUIROR OR PURCHASERS/ACQUIRORS OF THE GS GROUP COMMON STOCK UPON WHICH THIS CLAIM IS BASED.**

3. All joint purchasers or acquirors must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of Persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The last four digits of the Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

IV. CLAIM FORM

1. Use Part II of this form entitled “Schedule of Transactions in GS Group Common Stock” to supply all required details of your transaction(s) in GS Group common stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

2. On the schedules, provide all of the requested information with respect to all of your purchases/acquisitions and all of your sales of GS Group common stock which took place at any time between July 1, 1999 and May 7, 2002 (the “Class Period”), whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

3. List each transaction in the Class Period separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day and year of each transaction you list.

4. Broker confirmations, brokerage statements reflecting your purchases, or other documentation of your transactions in GS Group common stock should be attached to your claim. If you do not have documentation from your broker, you may also attach any documents or schedules that you attached to any federal tax return that reflect Class Period purchases of GS Group common stock, the sale of GS Group stock. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

5. The above requests are designed to provide the minimum amount of information necessary to process the simplest claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your losses. In some cases where the Claims Administrator cannot perform the calculation accurately or at a reasonable cost to the Class

with the information provided, the Claims Administrator may condition acceptance of the claim upon the production of additional information that it may, in its discretion, require to process the claim.

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

Harvey Lapin v. Goldman, Sachs & Co., et al.

Civil Action No. 04-CV-02236(RJS)

PROOF OF CLAIM AND RELEASE

Must Be Postmarked No Later Than:

_____, 2010

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

Beneficial Owner's Name (First, Middle, Last)

Street Address

City

State

Zip Code

Foreign Province

Foreign Country

Last four digits of Social Security
Number or Taxpayer Identification Number

Individual

Corporation/Other

Area Code

Telephone Number (work)

Area Code

Telephone Number (home)

Record Owner's Name (if different from beneficial owner listed above)

PART II: SCHEDULE OF TRANSACTIONS IN GS GROUP COMMON STOCK

A. Number of shares of GS Group common stock held at the close of trading on June 30, 1999: _____, _____.

B. Purchases or acquisitions of GS Group common stock (July 1, 1999 – May 7, 2002, inclusive):

Trade Date Month Day Year	Number of Shares Purchased or Acquired	Total Purchase or Acquisition Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

C. Sales of GS Group common stock (July 1, 1999 – Aug 5, 2002, inclusive):

Trade Date Month Day Year	Number of Shares Sold	Total Sales Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

D. Number of shares of GS Group common stock held at the close of trading on August 5, 2002: _____, _____.

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

YOU MUST READ AND SIGN THE RELEASE ON PAGE _____.

V. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We), _____ submit this Proof of Claim and Release under the terms of the Settlement Agreement and Release dated as of July 12, 2010 (“Settlement Agreement”) described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Southern District of New York, with respect to my (our) claim as a Class Member (as defined in the Notice) and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in the Litigation. I (We) agree to furnish additional information to Lead Counsel or the Claims Administrator to support this claim if required to do so. I (We) have not submitted any other claim covering the same purchases/acquisitions or sales of GS Group common stock during the Class Period and know of no other Person having done so on my (our) behalf.

VI. RELEASE

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally, and forever settle, release, relinquish and discharge, all of the Released Claims against each and all of the Defendants and each and all of their “Related Parties.”

2. This Release shall be of no force or effect unless and until the Court approves the Settlement Agreement and it becomes effective on the Effective Date.

3. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this Release or any other part or portion thereof.

VII. CERTIFICATION

Under penalty of perjury, I (we) hereby certify and represent that I (we) have included information about all of my (our) transactions in GS Group common stock that occurred during the Class Period as well as the number of shares of GS Group common stock held by me (us) at the close of trading on August 5, 2002. By executing this certification, I (we) acknowledge and agree to be bound by the Release set forth above.

Executed this _____ day of _____,
(Month/Year)

in _____, _____.
(City) (State/Country)

(Sign your name here)

(Type or print your name here)

(Capacity of person(s) signing, *e.g.* Beneficial
Purchaser,
Executor or Administrator)

SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number ("TIN") and Certification

PART I

NAME: _____

Check appropriate box:

- | | | | |
|--------------------------|----------------------------|--------------------------|--------------|
| <input type="checkbox"/> | Individual/Sole Proprietor | <input type="checkbox"/> | Pension Plan |
| <input type="checkbox"/> | Corporation | <input type="checkbox"/> | Partnership |
| <input type="checkbox"/> | IRA | <input type="checkbox"/> | Other |
| | | <input type="checkbox"/> | Trust |

Enter TIN on appropriate line.

- o For individuals, this is your Social Security Number ("SSN").
- o For sole proprietors, you must show your individual name, but you may also enter your business or "doing business as" name. You may enter either your SSN or your Employer Identification Number ("EIN").
- o For other entities, it is your EIN.

_____ or _____
 Social Security Number Employer Identification Number

PART II

For Payees Exempt from Backup Withholding

If you are exempt from backup withholding, enter your correct TIN in Part I and write "exempt" on the following line: _____

PART III

Certification

UNDER THE PENALTY OF PERJURY, I (WE) CERTIFY THAT:

1. The number shown on this form is my correct TIN; and
2. I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(C) of the Internal Revenue Code

because: (a) I am (we are) exempt from backup withholding; or (b) I (we) have not been notified by the Internal Revenue Service that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the Internal Revenue Service has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, you must cross out Item 2 above.

SEE ENCLOSED FORM W-9 INSTRUCTIONS

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

I declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this _____ day of _____,
(Month/Year)

in _____, _____.
(City) (State/Country)

(Sign your name here)

(Type or print your name here)

(Capacity of person(s) signing, e.g.,
Beneficial Purchaser, Executor or
Administrator)

ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.

Reminder Checklist:

1. Please sign both the claim form at Paragraph VII and the Substitute Form W-9 above.
2. Remember to attach supporting documentation, if available.
3. Do not send original stock certificates.
4. Keep a copy of your claim form for your records.
5. If you desire an acknowledgment of receipt of your claim form, please send it

Certified Mail, Return Receipt Requested.

6. If you move, please send us your new address.

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

HARVEY A. LAPIN, Individually, and On
Behalf of All Others Similarly Situated,

Plaintiff,

-against-

GOLDMAN, SACHS & CO., and
GOLDMAN SACHS GROUP, INC.,

Defendants.

04 Civ. 02236 (RJS)

SUMMARY NOTICE

EXHIBIT A-3

TO: ALL PERSONS OR ENTITIES WHO PURCHASED OR ACQUIRED THE GOLDMAN SACHS GROUP, INC. COMMON STOCK BETWEEN JULY 1, 1999 AND MAY 7, 2002.

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Southern District of New York, that a hearing will be held on _____, 2010, at __:__ __.m., before The Honorable Richard J. Sullivan, at the Daniel P. Moynihan U.S. Courthouse, 500 Pearl Street, Courtroom 21C, New York, New York, for the purpose of determining (1) whether the proposed Settlement of the claims in the Action for the sum of \$29,000,000 in cash should be approved by the Court as fair, reasonable and adequate to Members of the Class; (2) whether, thereafter, this Action should be dismissed with prejudice pursuant to the terms and conditions set forth in the Settlement Agreement dated as of July 12, 2010; (3) whether the proposed plan to distribute the settlement proceeds (the "Plan of Allocation") is fair, reasonable and adequate and therefore should be approved; and (4) whether the application of Lead Counsel for the payment of attorneys' fees and expenses incurred in connection with this Action and reimbursement of Lead Plaintiff's reasonable costs and expenses (including lost wages) directly related to his representation of the Class should be approved.

If you purchased or acquired The Goldman Sachs Group, Inc. common stock between July 1, 1999 and May 7, 2002, your rights may be affected by this Settlement. If you have not received a detailed Notice of Proposed Settlement of Class Action, Motion for Attorneys' Fees and Settlement Fairness Hearing ("Notice") and a copy of the Proof of Claim and Release, you may obtain copies by writing to *Goldman Sachs Securities*

Litigation, Claims Administrator, c/o The Garden City Group, Inc., P.O. Box 9652, Dublin, OH 43017-4952, or you can download a copy at www.GardenCityGroup.com. If you are a Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim and Release postmarked no later than _____, 2010, establishing that you are entitled to recovery.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. If you have any questions about the Settlement, you may contact Lead Counsel at the address listed below:

Peter A. Binkow, Esq.
Glancy Binkow & Goldberg LLP
845 Third Avenue
New York, NY 10022
settlements@glancylaw.com
1-888-773-9224

or go to the following website: www.GardenCityGroup.com.

DATED:

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

HARVEY A. LAPIN, Individually, and On
Behalf of All Others Similarly Situated,

Plaintiff,

-against-

GOLDMAN, SACHS & CO., and
GOLDMAN SACHS GROUP, INC.,

Defendants.

04 Civ. 02236 (RJS)

FINAL JUDGMENT AND ORDER OF DISMISSAL WITH PREJUDICE

(EXHIBIT B)

This matter came before the Court for hearing pursuant to an Order of this Court, dated _____, 2010, on the application of the Parties for approval of the Settlement set forth in the Settlement Agreement and Release dated as of July 12, 2010 (the "Settlement Agreement"). Due and adequate notice having been given of the Settlement as required in said Order, and the Court having considered all papers filed and proceedings held herein and otherwise being fully informed in the premises and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. This Judgment incorporates by reference the definitions in the Settlement Agreement, and all terms used herein shall have the same meanings set forth in the Settlement Agreement.
2. This Court has jurisdiction over the subject matter of the Action and over all Parties to the Action, including all Members of the Class who did not timely file a request for exclusion

from the Class by the _____, 2010 deadline pursuant to the Court's Order dated _____, 2010.

3. The Court reiterates its prior Order of September 15, 2008, certifying this action as a class action and finds that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of the Court appointed Class Representative, Harvey Lapin, are typical of the claims of the Class he represents; (d) the Class Representative has and will continue to fairly and adequately represent the interests of the Class; (e) the questions of law and fact common to the members of the Class predominate over any questions affecting only individual members of the Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby finally certifies this action as a class action on behalf of all persons or entities who purchased GS Group common stock, on the open market between July 1, 1999 and May 7, 2002 and were purportedly damaged thereby. Excluded from the Class are Defendants herein, the officers and directors of GS Group and Goldman Sachs, members of their immediate families, and the heirs, successors or assigns of any of the foregoing. Also excluded from the Class are persons and entities who submitted valid and timely requests for exclusion in accordance with the Notice, who are listed on Schedule 1 hereto.

4. The distribution of the Notice and the publication of the Summary Notice, as provided for in the Preliminary Approval Order, constituted the best notice practicable under the circumstances, including individual notice to all Members of the Class who could be identified

through reasonable effort. Said notices provided the best notice practicable under the circumstances of those proceedings and of the matters set forth therein, including the proposed Settlement set forth in the Settlement Agreement, to all Persons entitled to such notices, and said notices fully satisfied the requirements of Federal Rule of Civil Procedure 23, Section 21D(a)(7) of the Securities and Exchange Act of 1934, the requirements of Due Process, and any other applicable law.

5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby approves the Settlement set forth in the Settlement Agreement and finds that said Settlement is, in all respects, fair, reasonable and adequate to, and is in the best interests of, the Lead Plaintiff, the Class and each of the Class Members. This Court further finds the Settlement set forth in the Settlement Agreement is the result of arm's-length negotiations between experienced counsel representing the interests of the Lead Plaintiff, Class Members and the Defendants. Accordingly, the Settlement embodied in the Settlement Agreement is hereby approved in all respects and shall be consummated in accordance with its terms and provisions. The Parties are hereby directed to perform the terms of the Settlement Agreement.

6. Except as to any individual claim of those Persons (identified in Exhibit 1 attached hereto), who timely requested exclusion from the Class before the _____, 2010 deadline, the Action and all claims contained therein, including all of the Released Claims, are dismissed with prejudice as to the Lead Plaintiff and the other Members of the Class, and as against each and all of the Released Persons. The Parties are to bear their own costs, except as otherwise provided in the Settlement Agreement.

7. Upon the Effective Date, the Lead Plaintiff and each of the Class Members (other than those Persons or entities listed on Schedule 1 who have timely and validly requested exclusion

from the Class) shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged all Released Claims against the Released Persons, whether or not such Class Member executes and delivers a Proof of Claim and Release form.

8. Upon the Effective Date hereof, each of the Released Persons shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished and discharged the Lead Plaintiff, each and all of the Class Members and Lead Counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Action or the Released Claims.

9. Any further orders or proceedings solely regarding the Plan of Allocation shall in no way disturb or affect this Judgment and shall be separate and apart from this Judgment.

10. Neither the Settlement Agreement nor the Settlement contained therein, nor any act performed or document executed pursuant to or in furtherance of the Settlement Agreement or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of the Defendants; or (b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Released Persons in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. The Released Persons may file the Settlement Agreement and/or the Judgment in any other action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

11. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (a) implementation of this Settlement and any award or distribution of the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund; (c) hearing and determining applications for attorneys' fees and expenses in the Action; and (d) all Parties hereto for the purpose of construing, enforcing and administering the Settlement Agreement.

12. The Court finds that during the course of the Action, the Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

13. In the event that the Settlement does not become effective in accordance with the terms of the Settlement Agreement or the Effective Date does not occur, or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendants, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Settlement Agreement and shall be vacated and, in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Settlement Agreement.

14. The Court hereby **GRANTS** Lead Counsel attorneys' fees of _____% of the Settlement Fund and expenses in an amount of \$_____ together with the interest earned thereon for the same time period and at the same rate as that earned on the Settlement Fund until paid. Said fees shall be allocated among Lead Counsel in a manner which, in their good-faith judgment, reflects each counsel's contribution to the institution, prosecution and resolution of the Action. The Court finds that the amount of fees awarded is fair and reasonable in light of the time and labor required, the novelty and difficulty of the case, the skill required to prosecute the case, the

experience and ability of the attorneys, awards in similar cases, the contingent nature of the representation and the result obtained for the Class.

15. The Court hereby **GRANTS** Lead Plaintiff reimbursement of his reasonable costs and expenses (including lost wages) directly related to his representation of the Class in the amount of \$_____.

16. The awarded attorneys' fees and expenses, and interest earned thereon, shall be paid to Lead Counsel from the Settlement Fund immediately after the date this Order is executed subject to the terms, conditions, and obligations of the Settlement Agreement and in particular ¶6.2 thereof, which terms, conditions, and obligations are incorporated herein.

DATED: _____

The Honorable Richard J. Sullivan
United States District Judge

EXHIBIT 1

**List of Persons and Entities Excluded from the Class in
Harvey A. Lapin v. Goldman, Sachs & Co., et al.
Civil Action No. 04-Civ. 02236 (RJS)**

The following persons and entities, and only the following persons and entities, properly excluded themselves from the Class by the _____, 2010 deadline pursuant to the Court's Order dated _____, 2010:

IN RESPONSE TO THE NOTICE OF PENDENCY OF CLASS ACTION	